

Statement of
Garold W. Lawson, National Representative
National Association of Government Employees (NAGE)
to the Commercial Activities Panel
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The Directorate of Logistics and the Directorate of Public Works at Fort Leonard Wood, Missouri was contracted out under the A-76 program on or about 3 June 1988. The NAGE filed an appeal but to no avail. Each year, I requested that another study be undertaken and each year my request fell on deaf ears.

In FY 1994, a study was done on the Directorate of Logistics. The results of that study was that it would be more cost effective to perform the work with a government work force than to continue allowing a private contractor to perform the work. The Directorate of Logistics came back to a government function on or about 4 October 1994. I asked that the Directorate of Public Works be studied again but was informed by the Directorate of Resource Management that they did not have the funds or personnel to study the Directorate of Public Works. The Directorate of Logistics function was brought back in-house on 4 October 1994 and just 26 months later; on 9 December 1996 we were notified that it was being studied again despite the recent cost comparison that showed a savings of \$1.6 million to perform the function in-house. In addition, the Department of Defense was in the early stages of bringing two major schools, the Chemical School and the Military Police School, to Fort Leonard Wood under BRAC. It was argued by the Union and the Command that Fort Leonard Wood should be excluded from the study because (1) the recent study that brought the Directorate of Logistics back in house, and (2) the move of the two major schools to Fort Leonard Wood from Fort Mc Clellan, Alabama. Again, our arguments fell to deaf ears.

On 17 November 2000, we were notified by the Civilian Personnel Advisory Center and the Directorate of Resource Management that TRADOC had released, over the Internet to any prospective bidders, a draft of the Most Efficient Organization, the in-house cost estimates, and the methodology used to arrive at those figures. We requested, in writing, a copy of what was provided to contractors over the Internet and were told that we could not get that information, because it would compromise the study. However, when we asked that the study be stopped because of the release of information we were told that there was no harm done. We even received a copy of correspondence from the Army Audit Agency forwarded to Congressman Ike Skelton, stating that the contractors were more interested in beating other contractor's bid and were not interested in the government's in-house figures.

In the particular case at Fort Leonard Wood, it has been determined that none of the contractors bidding on the solicitation were qualified/capable of performing the work, that decision is open for appeal by the bidders. These studies take 3-7 years to put together and are complex. Information and data used is more often than not outdated and incorrect, yet the employees only have 20 days to appeal a decision to contract out. The A-76 system is biased towards privatization and more often than not does not result in a cost savings to the taxpayer.